

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant(s): Hans-Linhard Reich, et al.

Application No.: 09/877,439 Art Unit: 3693

Filed: June 8, 2001 Examiner: Dass, Harish T.

For: Method and System for Automated Transaction Compliance Processing

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Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

Sir:

A notice of appeal is filed herewith. Applicants respectfully request review of the October 12, 2006 Office Action and January 8, 2007 Advisory Action in the above identified application.

The current status of the case is as follows. The US Patent Office issued an Office Action dated March 1, 2006 rejecting claims 1-34 over so-called "Applicant's Admitted Prior Art (APA)" (hereafter "APA") in view of "Compliance moves forward," by Brendan Coffey, Wall Street & Technology, New York, Summer 1997 pp. 28-31 (hereafter "Coffey"). Subsequently, Applicants filed a response dated June 30, 2006. The US Patent Office issued a Final Office Action dated October 12, 2006 again rejecting claims 1-34 based on APA in view of Coffey, and attaching another reference, "Walking the tightrope," by Cheryl Strauss Einhorn, The Investment Dealer's Digest, New York, Nov. 1993, Vol. 59, Issue 46, pp. 14-19 (hereafter "Einhorn"). Applicants filed a response dated December 12, 2006. The US Patent Office issued an Advisory Action dated January 8, 2007, attaching yet another reference, "Typical Brokerage Firm Operations and Compliance Issues and Procedures," by Mark J. Astarita, Esq, 1995 (hereafter "Astarita").

In each Office Action, the Examiner has rejected claims 1-34 under 35 U.S.C. §103(a) based on APA in view of Coffey, with other references provided as ancillary support.

**I. The Examiner Has Failed To Provide A *Prima Facie* Case Of Obviousness**

Applicants respectfully request reconsideration of independent claims 1, 16, and 21 and other claims directly or indirectly dependent therefrom. Applicants submit that the examiner has failed to establish *with particularity* how passages/portions of the cited references render the claims obvious. Although the Examiner asserts the APA reference in view of Coffey as a U.S.C. §103(a) rejection, he has repeatedly made and relied on further unfounded assertions based on neither cited references nor instances of Official Notice. In light of the various unfounded assertions, Applicants submit that the Examiner has clearly repeatedly applied impermissible hindsight for various claims and has failed to establish both: 1. how the cited references teach, disclose or suggest the claimed elements; and/or 2. a motivation to combine cited references.

A. The Cited References Fail To Disclose All Of The Limitations Of The Pending Claims

Claim 1 of the pending application recites:

A computer implemented method for performing...comprising the steps of:

- (a) receiving a compliance request having an associated party and indicating a particular instrument from a collection of restrictions;
- (b) retrieving restrictions associated with the particular instrument from a collection of restrictions;
- (c) accessing a compliance rule set identifying at least one compliance rule selected in accordance with a profile associated with the party, the profile reflecting at least the relationship between the party and the entity;
- (d) evaluating at least a portion of the rules in the compliance rule set using the retrieved restrictions to determine if the request complies with the restrictions; and
- (e) outputting a message in electronic form indicating a compliance condition in accordance with results of the evaluating step.

Despite rejecting claim 1 based on an alleged § 103 combination of APA and Coffey, in the Office Action, the Examiner asserts *inter alia* that all elements of claim 1 are rendered obvious by the APA reference (which is nothing more than the Background section of the patent application itself). For example, the Examiner alleges in the October 12, 2006 Office Action:

"APA discloses ... (c) accessing a compliance rule set identifying at least one compliance rule selected in accordance with a profile associated with the party, the profile reflecting at least the relationship between the party and the entity (APA page 2 lines 6-7, i.e., 'TCO compares the underlying security with a list of other companies with which the employee and/or the present company are currently involved.');" [p. 2, ¶1]

Applicants assert that the Background of the application (or APA) in no way teaches, discloses, or suggests the various elements comprising independent claim 1.

More specifically, Applicants assert that the cited portion of the APA/Background, which essentially amounts to comparing a company name against a list of company names, in no way teaches, *inter alia*, "accessing a compliance rule set," or, "a profile associated with the party, the profile reflecting at least the relationship between the party and the entity" as claimed.

Furthermore, the Examiner has repeatedly relied on unfounded assertions of so-called "well known" information to support his bases for claim rejections. For example, in the October 12, 2006 Office Action, the Examiner alleges *inter alia*, "Using online transactions are well known," [See, p. 5, ¶1]; "Further, rule based management information are well known," [See, p. 5, ¶1]; "It is well known that certain employee of corporations have more inside information and some less," [See, p. 5, ¶2]; etc. Applicants assert that the Examiner has applied impermissible hindsight in asserting broad general concepts as allegedly rendering the claimed elements obvious without providing either cited references or taking Official Notice for support.

Furthermore, Applicants submit the Examiner has also over-generalized various aspects of the cited references. At no time have specific excerpts or passages from any of the references been particularly pointed out or discussed as rendering obvious any of the claim elements. Applicants further submit that the references provided by the Examiner, whether relied upon explicitly or not in Examiner arguments, fail to teach, disclose, or suggest the claimed invention:

The Coffey reference discusses the goal of front-end and/or real-time compliance processing and certain difficulties associated with compliance automation, pointing out various challenges associated with compliance processing. For example, the reference states, "'since compliance cuts across many different asset classes, and those asset classes are using separate systems, it's difficult to get corporate-wide compliance,'" and "'In addition to trying to link compliance to potentially half-a-dozen different systems, there are problems with the culture of the front-office, and who - the portfolio manager or the trader - should deal with on compliance issues.'" Applicants submit that Coffey's general discussion of issues that arise in corporate compliance does not teach, disclose or suggest or render obvious the various elements recited in independent claim 1.

The Einhorn reference discusses a general survey of compliance issues faced by investment firms and traders, the lack of industry-wide standards for trading compliance, and briefly discusses the difficulties of applying "computer technology" with regard to internal safeguards. For example, Einhorn states, "firms are getting more and more help from updated

computer technology," and, "With technological systems aiding internal safeguards, outside regulators aren't catching many trading outlaws these days." Applicants submit that Einhorn's brief discussion of "computer technology" does not teach, disclose or suggest or render obvious the various elements recited in independent claim 1.

The Astarita reference discusses general issues associated with brokerage firm operation and compliance management, including providing a definition of "insider trading" and addressing the need for compliance officers. For example, Astarita states, "Firms typically forbid their any officer, director, or employee from trading ... on material non-public information," and, "Most brokerage firms will require a Compliance Officer to carefully monitor the firm's activities, and that of its clients, to attempt, to the extent possible, insider trading." At no time does it discuss specific aspects of compliance processing beyond "requiring a compliance office to carefully monitor" such issues. Applicants submit that Astarita's general discussion of preventing insider trader by employing a compliance officer does not teach, disclose or suggest or render obvious the various elements recited in independent claim 1.

In summary, Applicants have herein identified various deficiencies in the Examiner's baseless assertions, as well as the generic cited references that are simply devoid of the claimed elements. Accordingly, Applicants request that, if the Examiner maintains his position, he discuss with particularity how the various cited references allegedly teach, disclose, or suggest the claimed elements, including a showing of correspondence between specific claim elements and specific passages within the references.

Furthermore, although Examiner has repeatedly asserted "Applicant argues about [a] limitation, which is not claimed." (See, Office Action, page 8, ¶ 2). Applicants note independent claim 21 clearly includes claim element "b.)" which explicitly recites "issue a query to the list server to obtain...." (See, pending claim 21). Applicants request the Examiner substantively consider Applicants' previous arguments with regard to this claim limitation and the cited references.

*B. The Examiner Has Failed To Provide A Sufficient Motivation To Combine The References*

Applicants also submit that the Examiner has failed to provide evidence of teaching, suggestion, or motivation to combine cited references. In the October 12, 2006 Office Action, the Examiner alleges:

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of APA and use a spreadsheet (database) and create lists of employee, companies, etc such as disclosed by APA and include compliance tools such as computer rule-based

module as disclosed by Coffey, and spreadsheet (database) to modify the lists (tables) without drawing (making) a fresh lists each time a new employee or client is added or deleted from a list(s), quickly search the names, add a new sheet (table), etc. and adding compliance rules which saves the TCO time during search, retrieve decisions and update the lists for an efficient managing compliance and enforcing tool for employee of financial institutions who are trading securities to avoid conflict of interest. [p. 4, ¶1]

At no time, here or elsewhere in the Office Action, does the Examiner produce, clarify, or point to any evidence in the content or scope of the prior art that the combination of these various elements cobbled together would have been apparent to a person having ordinary skill in the art and result in the claimed invention. Mere recitation of various aims or advantages does not constitute a proper motivation to combine such a disparate array of elements. Similar improper formulations of motivations to combine are repeatedly made throughout the October 12, 2006 Office Action.

### **CONCLUSION**

The reasons cited above demonstrate the errors present in the pending Office Action and the basis for reversal on appeal. For these reasons Applicants respectfully request withdrawal of the pending rejections and allowance of the application.

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17209-019. In the event that an extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17209-019.

Respectfully submitted,  
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Dated: April 12, 2007

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